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February 10, 1936.

New Chinese daily newspaper to be published on February 12

A new Chinese daily newspaper to be known as the "Zung Pao" (減報) will commence publication on February 12, 1936. This paper will take the place of the "Chen Pao" (晨報), the publication of which was banned by order of the Government on January 23 (Vide I.R. 24-28/1/36).

~~See 5720~~

SHANGHAI MUNICIPAL POLICE

SHANGHAI MUNICIPAL POLICE

S. B. REGISTRY

File No. 2926

S. 5, Special Branch, ~~Section~~

REPORT

Date. February 5, 1936.

Subject..... Cessation of the "Chen Pao" (晨報 "Shanghai Morning Post")
and its subsidiary papers.

Made by C.A. Loh Sih Kya.

Forwarded by *W. G. Moore*

Sir,

Further to the attached report, the "Chen Pao" Co., Ltd. has engaged Hsu Yung Tso (徐永祚), an auditor, as liquidator.

It is reported that in addition to the regular donations from General Chiang Kai Shek, the concern lost about \$180,000.00 since its establishment on April 7, 1932.

Ho Si Ah (何西亞), editor-in-chief of the defunct newspaper, and several of his colleagues are proposing to raise capital to purchase the plant and to start the publication of a daily newspaper to be known as "Zung Pao" (誠報 "Honest Paper").

The attached cutting from the "North-China Daily News" shows the attitude of General Chiang Kai Shek towards newspaper comments.

Loh Sih Kya
Clerical Assistant.

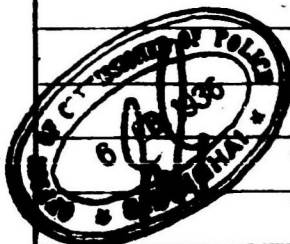
D. C. (Special Branch).

Commissioner of Police
Sir,

Information.

W. G. Moore

D. C. (Sp. Br.)
- 8 FEB. 1936



File
7/11
57 FEB. 1936

MAINICHIACTIVITIES OF CHINESE COMMUNISTS

A Taide telegram from Mukden dated January 28 reports that ever since the Nanking Government had decided to ally itself with communists, the latter have become active at various places. The recent arrest of a communist led to the discovery of the fact that the following important telegraphic instructions were issued by the Central Political Bureau on December 1, 1935 to the Commander in Tientsin:-

"The Third International has decided to use the Laming route to maintain communications for it is the shortest trade route between Soviet and China. The Soviet Government has secured the understanding of China to conclude a Russo-Chinese commercial treaty. There is ample possibility for the Soviet Government to open negotiations with China for co-operation in political, military, educational and economic affairs. The Third International will propose co-operation along the borders. For this reason, all comrades should exercise great care in their activities."

On December 9, 1935 another instruction was issued to the effect that co-operation between China and the Soviet along the borders had been resumed. Co-operation has been approved by the Third International and the Central Executive Committee. The Central Political Bureau has selected 9 men to be detailed for co-operative work among youths in Tientsin and Peiping to direct the students' movement in these districts and to conduct an anti-Japanese movement. They have been instructed to consult with Chiang Kung Lin and Fu Teh of the Kuomintang.

HIPPOSUPPRESSION OF "CHEN PAO" IS A CHALLENGE TO THE PEOPLE

A Domei telegram from Tokyo reports that the Nanking Government has suppressed the publication of "Chen Pao" because the paper had criticized the conduct of certain high officials of the Ministry of Finance and the Central Bank.

It is alleged that Dr. H. H. Kung, Minister of Finance, Mr. T. V. Soong, chairman of the Board of Directors of the Bank of China, had abused their authority and promoted their private interests through the new currency reform. The "Chen Pao" published an article to the effect that officials were selling government bonds held by them and their action would bring about the failure of the silver nationalization scheme. The Japanese Government regards the suppression of the "Chen Pao" by the Nanking Government as a sort of challenge to the people who are complaining of the currency reform.

According to information received from reliable sources, the future of China's currency reform is hopeless. It is expected that China's currency reform will be abandoned some time in April.

RECEIVED
S. B. BUCKLEY
No. D 3026
Date 22/1/36

January 24-28, 1936.

Publication of Chinese Newspaper "Chen Pao" forbidden by
National Government

The Chinese daily newspaper "Chen Pao" (晨報) with offices at 205 Shantung Road, failed to resume publication on January 27 after the lunar new year holidays. It has been learned that on January 23 the Management of the paper received an order from the National Government forbidding the publication of the Chen Pao on the ground that the issue of January 19 contained a leading article which referred to certain officials of the Government in a most derogatory manner.

2

January 28, 1936.

Morning Translation.

Ta Mei Wan Pao and other local newspapers :-

"CHEN PAO" CEASES PUBLICATION

The "⁹/₁₄ Chen Pao" ("Shanghai Morning Post") suddenly ceased publication on January 27. It is learned that all the subsidiary business of this newspaper will likewise be wound up at the end of this month.

The cessation of publication by this paper is attracting much attention. According to an advertisement published by this paper, the suspension was decided upon at a meeting of the Board of Directors.

The paper began publication on April 7 in the 21st Year of the Chinese Republic (1932). All the members of the staff of this paper were notified by letter on January 26 of their discharge with effect from February 1.

According to another source of information, the suspension is due to an article entitled "The Government should establish its sincerity and confidence" which appeared in the editorial columns on January 19, but this information cannot be verified.

The Shanghai Chen Pao Company, Ltd., published the following advertisement in its evening edition on January 27 :-

"At a meeting of the Board of Directors of this company, it was resolved to suspend the publication of the Chen Pao as from to-day. (January 27) Apart from notifying the various persons concerned of this suspension, the company publishes this advertisement for the information of the public."

Sin Wan Pao and other local newspapers (Nanking Telegram) :-

THE NEW CHINESE AMBASSADOR TO JAPAN

According to diplomatic circles, the Central Government has appointed Hsu Shih Ying (许世英), Chairman of the Relief Commission, as Chinese Ambassador to Japan. The Ministry of Foreign Affairs has already formally approached the Japanese Authorities for their approval of this appointment.

It is learned that the Japanese Government has appointed Mr. Arita to succeed Mr. Ariyoshi as Japan's Ambassador to China. Mr. Ariyoshi will leave for Tokyo on February 8.

Sin Wan Pao and other local newspapers (Peiping Telegram) :-

JAPANESE TO PROVIDE GUARDS FOR PEIPING-LIAONING RAILWAY

It is learned that in future Japanese gendarmes will accompany every passenger train of the Peiping-Liaoning Railway as guards. The Railway Authorities will provide them with a second class compartment. This step is being taken to prevent smuggling by Japanese and Korean passengers.

Memorandum.POLICE FORCE.
MUNICIPAL COUNCIL.Shanghai, *February 5*, 1936,
To *S.S.*

It is reported that the Chen Pao (Morning Post) suspended publication on January 27.

Please ascertain why this newspaper suspended publication, and report.

This matter was brought to notice by Mr Jeffrey of the British Consulate who is interested in this subject.

File. Copy of report already forwarded 5/2/36

SHANGHAI MUNICIPAL POLICE.

File No. S. B. REGISTRY

S. 5, Special Branch, ~~Room~~ 3926
28 / 1 / 36
Date January 28, 1936.

REPORT

Subject Cessation of Publication by the "Chen Pao" (Shanghai Morning Post) and Subsidiary Papers.

Made by C.A. Loh Sih Kya.

Forwarded by

G. H. Moore & P. S.

Sir,

The "Chen Pao" (晨報 "Shanghai Morning Post"), No. 205 Shantung Road, failed to resume publication after the China New Year holidays, while its evening edition will not appear until ^{Friday} (January 31).

This paper is an organ subsidised by General Chiang Kai Shek and has a capital of \$300,000. It is registered in the name of Wang Siao Lai (王曉籟 Chairman of the Shanghai City Government Assembly and the Chinese Ratepayers Association) who is Chairman of the Board of Directors of this paper.

The Managing-Director is Pen Kung Chai (潘公展), a member of the Central Executive Committee of the Kuomintang, Commissioner of the Education Bureau of the Shanghai City Government and a member of the Standing Committee of the Shanghai Special District Kuomintang.

Ho Si Ah (何壽亞) is the Editor-in-Chief and Mei Kee Fang (梅季方 a departmental chief of the Education Bureau) is the Manager.

The paper had a circulation of 25,000 copies daily, its evening edition 20,000 copies, while the "Siao Chen Pao" (小晨報), a mosquito paper, 30,000 copies. However, the combined revenue was insufficient to cover expenditure.

On January 19 the "Chen Pao" published an editorial (translation attached) and this editorial is believed to be the principal cause for the cessation of publication.

It is reported that Pen Kung Chai will probably publish the paper under another name in February next.

At the time that this particular editorial was

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SHANGHAI MUNICIPAL POLICE.

File No.

Station,

REPORT

Date. 19

- 2 -

Subject

Made by

Forwarded by

published, the value of Chinese debenture bonds was continually falling and rumours were in circulation that the National Government was about to reduce the rate of interest on these bonds. In addition, a certain broker, who is closely connected with Dr. H.H. Kung, Minister of Finance, sold a large amount of debenture bonds. Various local Chinese banks in possession of debenture bonds elected Zhen Sin Ts (錢新之), General Manager of the Joint Savings Banks Society, to ask Dr. Kung to repudiate the rumours. On January 20 the Minister of Finance deputed a departmental chief to Shanghai ostensibly to ascertain the names of the speculators and to deal with rumour-mongers, but nothing has, so far, been accomplished.

Loh Sih Kye
Clerical Assistant.

Officer i/c Special Branch.

Comm.
for
Information
of Mr. Robertson
per.

Copies to Mr. Robertson & Mr. J. H. H. 1/4/28

The following is the editorial published by the "Chen Pao" (official organ of General Chiang Kai Shek) on January 19, 1936:-

ESTABLISH THE CREDIT OF THE GOVERNMENT - SPECULATION BY
GOVERNMENT OFFICIALS TO BE STRICTLY PROHIBITED

There are two questions facing China to-day: how to re-adjust diplomatic problems and how to relieve the economic crisis.

Regarding the first point, General Chiang Kai Shek has already declared that the National Government would do its best to work for peace, but it would also be prepared to make sacrifices should it be found impossible to obtain peace. As regards the second point, General Chiang has promoted a movement for economic reconstruction. A section of Government officials, however, do not seem to have much respect for this movement and their action is liable to accelerate the economic bankruptcy of the people. We draw the attention of our Government to this matter.

China has been in a most difficult financial position since 1929 when she was struck by the wave of world economic depression. Despite this, there are ways and means for China to save herself. One reason why China's financial position is so bad to-day is because a few Government officials in high authority are making fortunes by means of national finances.

If the high Government authorities do not believe our statement, facts will prove it. The most important economic events have taken place in China lately, namely, the collection of an equalization tax on silver and the enforcement of the new currency reform. At the time when these two measures were about to be enforced, a circulating report of Chinese money had already become rampant, and a small number of Government officials in high authority

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Figure 1

as an investment, with the result that new bonds will be affected. Does the Government want to witness a stagnation in the value of bonds, new or old, caused by a supplementary issue of new bonds with the Sinking Fund for the old bonds?

It is claimed that the Government's action would check speculations on debenture bonds. Actually, it is the unsteady value of the debenture bonds that has caused speculations in these bonds to become so prosperous. Furthermore, there is a great difference between the face value and the market price of the bonds. If the Government is sincerely desirous to prevent the bonds from being dealt in by speculators, it should endeavour to make the difference between the face value and the market price of the bonds as small as possible. The belief that a reduction of the rate of interest and delay in the redemption of the bonds would discourage speculations is not shared by the people.

The Government has declared that during the period of national financial construction, it will strive to avert financial stagnation or a shortage of silver coins. But ever since the enforcement of the new monetary system, the Government has allowed people to purchase as much foreign currency as they can. This has led to an outflow of silver dollars. Furthermore, due to speculation by certain Government officials, which action has impaired the reliability of the bonds, many holders of debenture bonds, fearing a collapse of their values, have exchanged their bonds for legal tender notes, with which they have purchased foreign currency, leading thereby to a further outflow of silver dollars.

The sharp decline in the value of silver in foreign countries has no doubt some connections with the tremendous outflow of silver from this country. The continuous exportation of silver will not only aggravate the livelihood of the people but will also bring about an immediate financial bankruptcy.

(4)

Will the Government then be in a position to promote national financial construction? In order to put a stop to the outflow of our capital and to bring success to the national financial construction, the Government should energetically uphold the realibility of China's debenture bonds and should strictly prohibit its officials, taking advantage of their position, to speculate.

SHANGHAI MUNICIPALITY
S. D. REGISTRY
No. S. D. D. 3926
Date 28 / 36

THE SHANGHAI TIMES, TUESDAY, JANUARY 28, 1936

"CHEN PAO" CEASES PUBLICATION

May Resume Shortly But No Reasons Given For The Suspension

In an announcement published yesterday, the management of the "Chen Pao," generally considered an organ of the National Government, declared that the paper had suspended publication as a result of a meeting of members of the Chen Pao Company, Ltd.

Interviewed, Mr. Sun Kuan-chun, Chairman of the Bureau of Education and a member of the C.E.C. of the Kuomintang, who is the president of the paper, declared that the paper would soon resume publication. He refused, however, from mentioning the reasons for the temporary suspension.

The paper editor of the "Chen Pao" was a high-ranking official of the National Government. The paper was known for its simplicity and its content was as usual. The suspension of the "Chen Pao" is believed to be the result of a meeting of the members of the Chen Pao Company, Ltd. The paper was suspended with no reasons given for the suspension.

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78

SHANGHAI MUNICIPAL POLICE.

SHANGHAI MUNICIPAL POLICE
C. & S. B. REGISTRY

REPORT

Special Branch B 3926

Date August 10, 1932.

Subject (in full) Letters from "Blood & Soul Group"
to the Chen Pao.
Made by and Forwarded by C.D.I. Prince.

Sir,

Copies of letters from the Blood & Soul Corps
to the Chen Pao are submitted herewith. The editor of the
Chen Pao, interviewed, stated that the letters were received
by mail and they published them without question, or inquiry.
From this it would appear that the Chinese Press is in sympathy
with the Blood and Soul Group and its activities.

J. D. Prince
C. D. I.

O/C Special Branch.

SL Please see and pass
to Home Branch to note and
return.

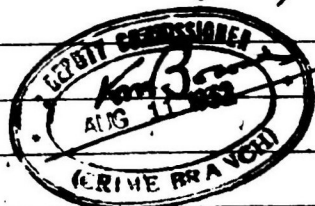
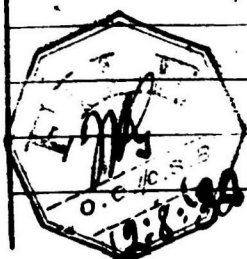
Supt. Sec. C. I.

11:8132.

See & return, on
return of report SpBr

O.C.(C.S.) III

Conduct as per
& file returned.



IV
Officer C.S.B.
Tian and Ho.

R. D. L. Daye

[Signature]
12/10/32

August 8, 1932.

Morning Translation
of Attached Letter.

Shun Pao:

BLOOD AND IRON CORPS ISSUES MANIFESTO.

The Chinese National Salvation Blood and Iron Corps for Extermination of Traitors publishes the following manifesto:-

"The Manchurian Incident occurred ten months ago. Our Government officials are still observing a non-resistance policy and this has led to our defeat in the Shanghai War and enabled the Japanese to establish the state of Manchukuo thereby enslaving our thirty million brethren in the North-East, and several hundred thousand square miles of fertile territory have fallen into the hands of the Japanese bandits.

"The invasion of Jehol, Peiping and Tientsin is now imminent. As our Government is not reliable, the organization of volunteer corps has been voluntarily undertaken by the people to save the country. But this has been forbidden by the Government. In that case, the final step which we, the people, can adopt is to boycott Japanese goods. Nevertheless, a number of traitorous merchants at the instigation of wicked politicians have sanctioned the sale and transportation of Japanese goods. Furthermore, certain men who are without a conscience have taken advantage of the boycott to raise the price of national products. If these "traitors" are not rooted out of existence, neither the boycott of Japanese goods nor the sale of national products can be promoted. Therefore, with inflexible spirit, we have organized this Traitors Extermination Corps for the sole purpose of killing all these traitorous merchants in order to save our country.

"We shall have no regard for our lives, we shall do everything for the salvation of the country and for the relief of the people. Our Corps has no connection with

soever with any party or clique and we have nothing to do with communism. We shall not endanger public peace and safety. We are moved purely with love for our country".

facsimile of
letter.

[illegible]

To the Editorial Department,

Chen Pao.

Gentlemen,

With a view to preventing disreputable elements from assuming the name of our Corps for the purpose of extortion or some other unlawful ends, we have engraved a seal bearing the inscriptions "The Shanghai Blood & Soul Corps for the Extermination of Traitors" (上海血魂除奸團) which seal will be in use from July 30. Therefore, we have to draw your attention that any documents not bearing the seal of our Corps is false.

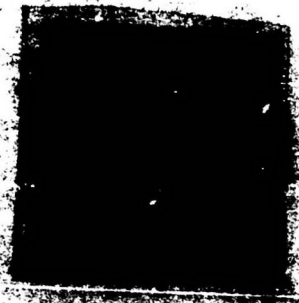
Attached is a specimen of our seal.

(Sealed) The Shanghai Blood & Soul Corps
for the Extermination of Traitors.

July 30.

近聞若輩固為預防不良份子假
借敝團名譽肆行竄作或其他
不法行為起見特鑄刻印鑑一顆
文曰：上海血魂陰奸團，自七月
二十日啟用嗣後任何文件
如未加蓋敝團團章均係假
冒用特函達請煩查照為荷
此致晨報編輯部附印鑑一
張

上海血魂陰奸團總書



To the Editorial Department,

Chen Pao.

Gentlemen,

This Corps is organized purely by patriots and its discipline is very strict. Its sole aim is to exterminate traitorous merchants dealing in Japanese goods. The funds for this Corps are entirely contributed by the members of the Corps and there is no soliciting for public donations whatever. We are not responsible for any incidents arising from raising of subscriptions or extortion by persons using the name of this Corps. We therefore bring this fact to the notice of the public.

(Sealed) The Shanghai Blood & Soul
Corps for the Extermination of Traitors.

July 30.

To the Editor,

In view of the increasing gravity of the national crisis, we have organized the Blood and Soul Corps for the Extermination of Traitors in an attempt to awaken by sacrifice of blood and soul the "already dead human heart". We are endeavouring to reduce the enemy's aggressiveness by severing economic relations with him and also to secure international peace by our pure patriotism. The purchase of Japanese goods by Chinese constitutes one of the major factors which have enabled Japan to violate international peace pacts and to invade the North-East. Therefore, those lethargic Chinese who are continuing to buy and to sell Japanese goods are committing offences against the Republic by endangering it and bringing about foreign aggressions. They are also indirectly responsible for the violation of international peace pacts. This is why our Corps has separately warned them, hoping they will correct their mistakes.

Yesterday one of our members named Yung Wei Fang was arrested by police when he was warning the Mow Chang Piece Goods Shop. As our members have sworn to sacrifice their lives, we are not afraid of any measures the law may adopt to deal with us. However, the question whether warnings to persuade others to correct their errors and sent with the object of protecting the nation or race and upholding international peace are unlawful and the degree of punishment they merit requires discussion.

We ask you to publish this letter in your paper and to start a "Traitor Extermination Law Discussion Association" in order to enable public bodies or individuals to express their views freely and ~~from~~ from which a just reply to the question as to whether the activities of our

members are unlawful and are subject to punishment will
be evolved. We will give you our points of view
regarding the case within a few days.

(Sealed) The Shanghai Blood & Soul Corps
for the Extermination of Traitors.

August 6.

This letter has not been published *ms*

SHANGHAI MUNICIPAL POLICE.

SHANGHAI MUNICIPAL POLICE
File No. 39.26
C. & S. B. REGISTR.

REPORT

Special Branch/S. D. Prince

Date: Dec 8 1932

Subject (in full) Chen Pao Editorial "Correction".

Made by and Forwarded by C.D.I. Prince.

Sir,

We brought to the notice of the editor of the Chen Pao the remarks of the Commissioner of Police regarding the editorial published in the Chen Pao on August 4, 1932, and he stated that he would publish a correction.

A correction in the form of a letter sent to the editor of the paper by the Publicity Department of the Shanghai Municipal Council, in which it is stated that the Indians referred to in the Editorial are not Policemen or Police Watchmen, was published in the Chen Pao August 6, 1932, issue.

Please see attached translation.

S. D. Prince
C. D. I.

O/C Special Branch.

Commissioner of Police,
Sir,
Information.

HS
9/8



J. H. Givens

O. i/c Sp. Br.

AUG 8 1932

August 8, 1932.

CORRECTION

Chen Pao (Evening Issue) of August 7 published the following letter dated August 6 from the Publicity Department of the S.M.C.:-

"With reference to the comment appearing in your Evening Issue of August 3 on the subject of the Lih Tsong Li Alleyway incident, investigations show that the Indians employed in this alleyway are private watchmen. They are not policemen nor watchmen under Police supervision. Furthermore the incident took place in Chapei".

Extract from Chinese Newspapers Translation
4.8.32.

Chen Pao Evening Issue (Editorial):

H.1022.
Commenting on the incident, (Fatal fight between tenants and Indian Watchmen) the Chen Pao writes:-

We can not but blame the S.M.C. for if the council had given a thorough training to these Indian policemen, such basurd incidents would never have happened.

According to reports in hand, the Indian watchmen are utterly ignorant of police practice. People are at liberty to choose their residence and watchmen have no right to interfere, but the watchmen in this case did interfere. People have full liberty of movements in the lane and watchmen may not treat the residents as prisoners.

We cannot treat the case as a common occurrence, because all the five watchmen are untrained men. The ignorance on the part of the watchmen of the mode of living of the people is excusable, but it is the duty of the S.M.C. to instruct them in this respect. Ignorance of police regulations on the part of the common people is excusable, but not on the part of the policemen.

From everyday events, one can perceive the lack of training on the part of Indian policemen, this incident provides further proof.

We now ask the S.M.C. to rectify this error so as to avoid a recurrence of such incidents. The killing and wounding of residents in Lih Chun Lee made us feel that we too are in danger.

Commissioner's remarks:

"O.C. S.B. They are not Indian Policemen and have nothing to do with the Police. The matter should be drawn to attention of Military."

(24) N.B. 4.8.